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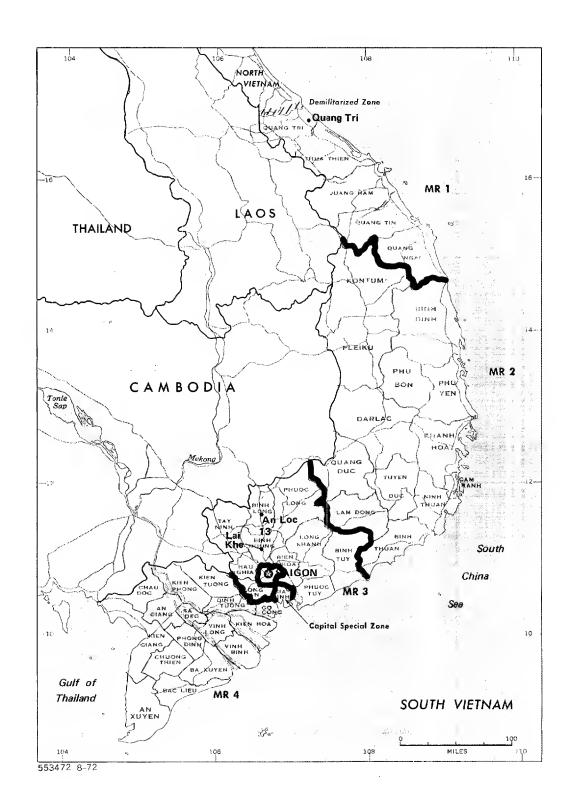
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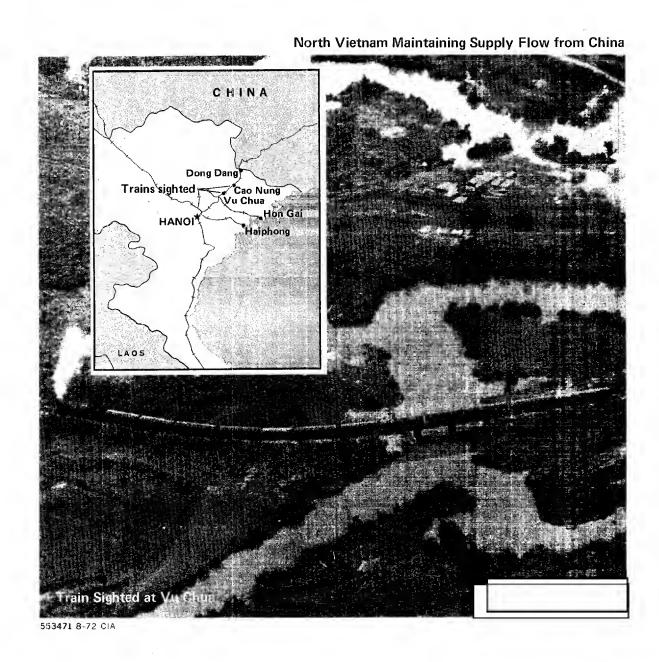
VIETNAM: Military action has picked up in the Mekong Delta.

The sharpest fighting occurred on 15 August in southwestern Dinh Tuong Province, where South Vietnamese Army troops suffered 30 killed, 66 wounded, and 30 missing in a series of clashes with Communist forces. In Kien Tuong Province near the Cambodian border, units of the government's 7th Division report that they inflicted substantial losses on a North Vietnamese regiment and captured considerable amounts of supplies, including several SA-7 missiles. These contacts may foreshadow increased enemy efforts to isolate population centers in the delta and disrupt the flow of agricultural shipments to Saigon. The Communists are also maintaining pressure against government outposts and district towns in Kien Phong, nearby Kien Hoa, and Kien Giang provinces.

North of Saigon, ground action has slackened, although substantial enemy mortar and rocket fire has been directed against South Vietnamese positions in Binh Duong, Tay Ninh, and Phuoc Long provinces. Route 13 between An Loc and Lai Khe is presently closed to traffic, but South Vietnamese ranger and territorial forces have so far been able to keep the road open south of Lai Khe.

On the Quang Tri front, the infantry operations of both sides are being hampered by artillery fire. On 15 August, almost 1,000 shells were directed against government positions throughout Quang Tri Province, and Communist units are also complaining about allied firepower. Air strikes are also taking a toll of Communist forces.

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In North Vietnam, aerial photography of 12 August indicates that a significant flow of supplies from China is being maintained over the high-capacity Dong Dang rail line. Two southbound trains were observed on that date-one of 30 cars at Cao Nung and another of 12 cars at Vu Chua. Photography has also provided evidence of turnover in the supply stock-piles at major rail vards along the line.

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MOROCCO: Yesterday's incident appears now to be just one more desperate attempt to eliminate King Hassan. It does demonstrate, however, the fragility of his support.

The attack occurred as the King was returning from a private visit to France. The F-5 squadron of the air force, which had remained loyal to him during last year's military coup, fired on his plane as it entered Moroccan airspace. The King's plane was damaged, but was able to make a safe landing. Subsequently, the airport was strafed, as was the King's palace in Rabat.

Last night the Moroccan Army occupied the F-5 base at Kenitra without firing a shot and arrested some suspects. Reportedly, the pilot of the plane that attacked the King's aircraft parachuted near Rabat and was captured. In addition, five other members of the squadron, including the Royal Moroccan Air Force deputy commander, Mohamed Amekrane, escaped to Gibraltar in a helicopter and were taken into custody by the authorities.

After last year's military coup attempt, some anti-Hassan sentiment was reported among some of the F-5 pilots

The present air force commander, Colonel Hassan Lyoussi, was formerly head of Morocco's military intelligence, and was handpicked for the position last May by the King. This appointment may have created some ill feelings among air force officers who had hoped that the command would be awarded within the service.

It is now evident that the assassination attempt was made solely by the F-5 squadron and apparently did not have the support of any other military or civilian elements. Presumably, the pilots gambled that the removal of the King would be accepted by the country and would bring about a change in government. Their mission failed and the King will probably react swiftly.

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IRAN-USSR: Tehran and Moscow are continuing to expand their already close economic ties.

Agreements were signed recently for a wide range of projects. These include the expansion of the Isfahan steel mill and plants to manufacture prefabricated housing, both under previously extended credits. The two parties also agreed to joint use of Soviet-built power and irrigation facilities on the Aras River and the construction of a 60,000-ton-capacity petrochemical plant. The Soviets consented to import some 55,000 tons of petrochemicals and discussed the possibility of increasing imports of Iranian natural gas. More meetings are planned in 1973 to consider further Soviet participation in Iran's fifth development plan and trade expansion. The USSR is already Iran's largest market for non-oil exports.

Mutually advantageous economic projects have been a basis for improved political relations between the two countries, but the Shah remains suspicious of Moscow's intentions. Military deliveries have been limited to non-sophisticated items, despite Moscow's desire to break the West's near monopoly of supplying Iran with military hardware. Soviet technicians in Iran are kept at a minimum and are closely watched, and Iranians being trained in the Soviet Union are kept under surveillance by Iranian counterintelligence personnel. Tehran's wariness of long-range Soviet objectives in the Middle East has been heightened by the recent Soviet-Iraqi treaty of friendship and cooperation. However, there are no signs of change in the Shah's pragmatic view that good relations with both the Soviets and the West are essential.

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ARGENTINA-CHILE: The escape from prison and the hijacking of an airliner to Chile by a group of Argentine extremists is creating political problems for both governments.

Six members of the Trotskyist People's Revolutionary Army broke out of an army-run maximum security prison in southern Argentina Tuesday night and, following their flight to Santiago, surrendered to Chilean police. The group includes Mario Santucho, a prominent Argentine guerrilla who is believed to have master-minded the kidnap-murder of an Italian industrialist earlier this year.

The arrival of the extremists puts President Allende in a difficult situation. He would like to maintain cordial relations with President Lanusse of Argentina, and the recent discovery of the involvement of Uruguayan, Brazilian, and Mexican political exiles in violent acts directed against his government has made foreign radicals less welcome in Chile. Still, Chile has a long tradition of providing haven to South American dissidents of all stripes, and to return these would invite harsh reaction from many members of Allende's coalition. Allende's own Socialist Party, stung by the arrests for banditry last month of some members of its most extremist wing, will oppose the return of the fugitives to Argentina.

Chile has denied formal asylum to some fugitives in the past, but has allowed them to make their own way to another country that will accept them. In this case, Cuba may finally receive the extremists. Meanwhile, the Argentines expect that the Chilean courts, rather than Allende, will make the ultimate decision in the matter!

This incident comes at an embarrassing time for President Lanusse, who is having difficulties in sensitive domestic political negotiations. He will be under strong pressure from the Argentine military to get the guerrillas back.

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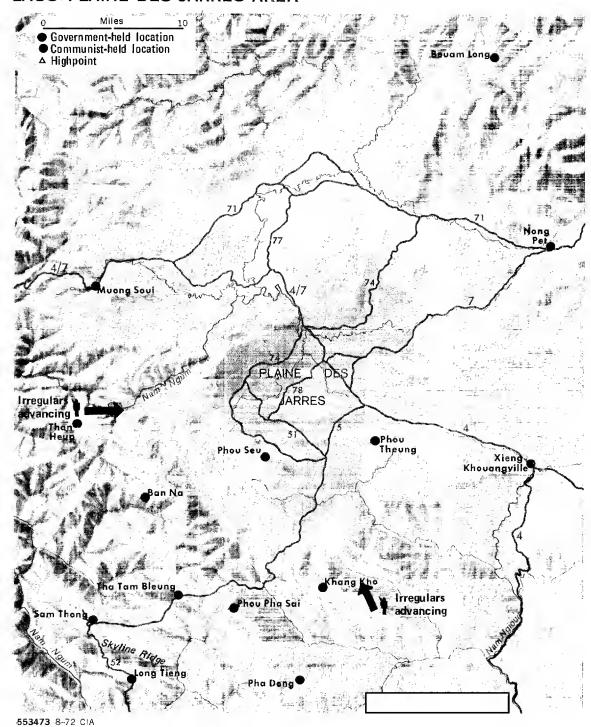
NOTES

LAOS: The government has launched a new offensive in the Plaine des Jarres area. Three irregular battalions, numbering about 1,200 men, have
been airlifted to positions about 11 miles west of
the Plaine and a second 1,200-man irregular task
force has been moved to points 12 miles southeast
of the Plaine. Both task forces have begun moving
toward the Plaine, and so far have encountered little resistance. Vang Pao has several additional
battalions fresh from several weeks of retraining
and presumably will soon commit them to the offensive.

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SINGAPORE: Parliament was dissolved on 16 August in preparation for general elections. elections had to be called before April 1973, and Prime Minister Lee Kuan Yew has apparently decided that now is a good time. Nomination day has been set for next week and elections must be held between 1 September and 15 October, probably earlier rather Lee is likely to move quickly, before than later. the opposition parties can get themselves organized. Lee's well-organized political machine, the People's Action Party, which now has all of the parliamentary seats, should have little trouble retaining full control. The major opposition party, the leftist Barisan Sosialis, boycotted the last general elections in 1968, but Barisan leaders have announced that the party will contest most seats this time. The Barisan represents a small but significant current of discontent among Singapore's lower socioeconomic groups and may well win a couple of seats.

LAOS: PLAINE DES JARRES AREA



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